

## CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number \_\_\_\_\_

Meeting Type: Regular

Meeting Date: 5/24/2012

Action Requested By:  
Legal

Agenda Item Type  
Ordinance

Subject Matter:

TIF5- Series 2012-B Warrants

Exact Wording for the Agenda:

Ordinance authorizing the issuance of One Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2012-B in the Aggregate Principal Amount of not to exceed \$3,000,000.

**Note: If amendment, please state title and number of the original**

Item to be considered for: Action

Unanimous Consent Required: Yes

Briefly state why the action is required; why it is recommended; what Council action will provide, allow and accomplish and; any other information that might be helpful.

Associated Cost: 3,000,000

Budgeted Item: Not applicable

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head 

Date: 5.22-12

# ROUTING SLIP CONTRACTS AND AGREEMENTS

Originating Department: Legal

**Council Meeting Date: 5/24/2012**

**Department Contact: Peter Joffrion**

Phone # 427-5026

**Contract or Agreement: TIF5 - Series 2012-B Warrants**

**Document Name: TIF5 - Series 2012-B Warrants \$3,000,000**

**City Obligation Amount:**

**Total Project Budget:** 3,000,000

**Uncommitted Account Balance:**

**Account Number:**

## Procurement Agreements






**Not Applicable**

**Not Applicable**

## Grant-Funded Agreements

**Not Applicable**

**Grant Name:**

Department	Signature	Date
1) Originating		5-18-12
2) Legal		5-18-12
3) Finance 		5/27
4) Originating		5-18-12
5) Copy Distribution		
a. Mayor's office (1 copies)		
b. Clerk-Treasurer (Original & 2 copies)		

I, **CHARLES E. HAGOOD**, as City Clerk of the **CITY OF HUNTSVILLE, ALABAMA**, hereby certify that the attached pages numbered consecutively from 1 to [12], together with the form of TIF5 – Series 2012-B Supplemental Development Agreement attached hereto as Exhibit A, constitute a true, correct and complete copy of all those portions of the minutes of a regular meeting of the Mayor and City Council of the City of Huntsville, Alabama, held on the 24<sup>th</sup> day of May, 2012, that pertain to the matters therein set out, as the said minutes appear in the records of the said City in my office.

WITNESS my signature as the City Clerk of the City of Huntsville, Alabama, under its seal, this 4<sup>th</sup> day of June, 2012.

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City Clerk  
**CITY OF HUNTSVILLE, ALABAMA**

( S E A L )

**EXCERPTS OF THE MINUTES OF A REGULAR  
MEETING OF THE CITY COUNCIL OF  
THE CITY OF HUNTSVILLE, ALABAMA  
HELD ON MAY 24, 2012**

The City Council of the City of Huntsville, Alabama, met in public session at the Municipal Building in the City of Huntsville, Alabama, at 6:00 o'clock, p.m., on the 24<sup>th</sup> day of May, 2012.

On roll call the following were found to be present:

[Council President Russell] acted as the presiding officer at the meeting. [Charles E. Hagood, the City Clerk], was also present and acted as secretary of the meeting. The President declared that a quorum was present and that the meeting was open for the transaction of business.

\* \* \*

The following ordinance was then introduced in writing:

ORDINANCE NO. 2012-\_\_\_\_

AN ORDINANCE  
AUTHORIZING THE ISSUANCE OF ONE TAXABLE LIMITED OBLIGATION TIF  
REVENUE WARRANT, TIF5 - SERIES 2012-B  
IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$3,000,000

**BE IT ORDAINED** by the City Council (the "Council") of the **CITY OF HUNTSVILLE, ALABAMA** (herein called the "City") as follows:

**Section 1. Findings.** The Council has found and ascertained and does hereby declare as follows:

(a) The City and L W Redstone Company, LLC, a Delaware limited liability company (the "Company"), have heretofore entered into that certain Annexation and Development Agreement dated March 25, 2010 (the "Development Agreement") respecting the construction and development of various public capital infrastructure improvements described more particularly in that certain TIF5 – 2012-B Supplemental Development Agreement between the City and the Company attached hereto as Exhibit A (said public infrastructure improvements herein called the "2012-B Public Infrastructure Improvements") on certain real property referred to as the "Project Site" in the Development Agreement; and

(b) In order to facilitate the construction, acquisition and installation of the 2012-B Public Infrastructure Improvements, the City has agreed to issue and deliver the Series 2012-B TIF Revenue Warrant hereinafter described and authorized (the "Series 2012-B TIF Revenue Warrant"); and

(c) The Council deems it necessary, desirable and in the public interest that a portion of the costs of the 2012-B Public Infrastructure Improvements be paid by the issuance of the Series 2012-B TIF Revenue Warrant, and the Company has agreed to purchase and acquire said warrant from the City.

**Section 2. Authorization of Series 2012-B TIF Revenue Warrant; 2012-B First Advance; Computation of Interest.** (a) Pursuant to the applicable provisions of the Code of Alabama 1975, as amended, including particularly Section 11-99-8 thereof, and for the purpose of providing the funds to pay the costs of a portion of the 2012-B Public Infrastructure Improvements and the expenses of issuing the Series 2012-B TIF Revenue Warrant, the City is hereby authorized to borrow from the Company, pursuant to Advances (as such term is defined in the Development Agreement) hereafter made from time to time by the Company, the principal sum of not to exceed \$3,000,000 and, in evidence of the money so borrowed, is authorized to issue and deliver to the Company one Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2012-B, in the principal amount of not to exceed \$3,000,000 and payable to the Company (herein called the "Series 2012-B TIF Revenue Warrant").

(b) Upon the date of initial issuance and delivery of the Series 2012-B TIF Revenue Warrant the Company shall make an Advance totaling \$6,500 (said Advance, the "2012-B First Advance"). The City has determined not to require an Initial Advance (as such term is defined in the Development Agreement) in connection with the Series 2012-B TIF Revenue Warrant. The 2012-B First Advance shall be used by the City for payment of the costs of issuing the Series 2012-B TIF Revenue Warrant.

(c) The Series 2012-B TIF Revenue Warrant shall become due and payable (the "Maturity Date") on the earlier of (i) thirty (30) years from the dated date of the Series 2012-B TIF Revenue Warrant, or (ii) the date on which the TIF (as such term is defined in the Development Agreement) shall expire. The Series 2012-B TIF Revenue Warrant shall be dated June 4, 2012, shall be issued as a single fully registered warrant and shall be payable to the Company.

(d) Interest on the outstanding balance of the Series 2012-B TIF Revenue Warrant (including, without limitation, interest on each Advance from the date such Advance is made) shall accrue at a rate of 9.95% per annum, shall be payable on March 1 of each year, commencing March 1, 2013 (each such date, an "Interest Payment Date"), until the Maturity Date unless and to the extent said outstanding balance shall be paid earlier, and shall be computed on the basis of a 360-day year of twelve (12) consecutive thirty (30) day months.

(e) To the extent TIF Revenues (as such term is defined in the Development Agreement) are insufficient to pay maturing installments of interest when due on any Interest Payment Date, then the amount of such deficiency shall be added to the then outstanding balance of the Series 2012-B TIF Revenue Warrant. In the event an Interest Payment Date is not a Business Day (as such term is defined in the Development Agreement), the interest due on such date shall be payable on the then next succeeding Business Day. Upon the Maturity Date, all outstanding but unpaid principal and interest under the Series 2012-B TIF Revenue Warrant shall be deemed paid in full and no longer outstanding, and the City shall have no obligation whatsoever for the payment thereof (whether from TIF Revenues or otherwise) on or following the Maturity Date.

**Section 3. Optional Prepayment Privilege.** The City reserves and shall have the privilege of prepaying all or a portion of the principal balance of the Series 2012-B TIF Revenue Warrant at any time and from time to time in whole or in part without penalty or premium upon five (5) Business Days' prior written notice to the Company.

**Section 4. Execution of the Series 2012-B TIF Revenue Warrant; Registration.** (a) The Series 2012-B TIF Revenue Warrant shall be executed and the corporate seal of the City shall be affixed thereto by the Mayor, and the City Clerk shall attest the same by affixing his signature thereto. The Series 2012-B TIF Revenue Warrant shall be registered in the records maintained by the City Treasurer as a limited obligation payable solely from TIF Revenues to the extent and upon the terms set forth herein and in the Series 2012-B TIF Revenue Warrant. Said officers are hereby authorized and directed so to execute and attest the Series 2012-B TIF Revenue Warrant, affix said seal thereto and make such registration.

(b) A registration certificate by the City, in substantially the form set forth in Section 6 hereof, duly executed by the manual signature of the City Clerk, shall be endorsed on the Series 2012-B TIF Revenue Warrant and shall be essential to its validity.

(c) The Series 2012-B TIF Revenue Warrant shall be registered as to both principal and interest in the name of the Purchaser and shall not be transferable except to an "accredited investor" as defined in the Securities and Exchange Act of 1933 and the rules and regulations promulgated thereunder and only upon compliance with applicable State of Alabama and federal securities laws.

**Section 5. Limited Obligation.** The indebtedness evidenced and ordered paid by the Series 2012-B TIF Revenue Warrant is and shall be a limited obligation of the City payable solely out of TIF Revenues on deposit in the TIF Fund (as such term is defined in the Development Agreement) on a parity with the City's \$10,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2010-A, dated July 26, 2010 (the "Series 2010-A TIF Revenue Warrant"), the City's \$20,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2010-B, dated November 5, 2010 (the "Series 2010-B TIF Revenue Warrant"), the City's \$3,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2012-A, dated February 6, 2012 (the "Series 2012-A TIF Revenue Warrant"), and all other Owner Warrants (as such term is defined in the Development Agreement) hereafter issued, subject and subordinate to: (1) any pledge of TIF Revenue made by the City for the benefit of any Permanent Financing Obligations (as such term is defined in the Development Agreement) hereafter issued by the City as TIF (as such term is defined in the Development Agreement) revenue obligations of the City, and (2) the right of the City to use and apply TIF Revenues to reimburse the City for the payment of debt service on any Permanent Financing Obligations hereafter issued by the City as general obligations of the City. The general faith and credit of the City are not pledged to the payment of the principal of or the interest or premium, if any, on the Series 2012-B TIF Revenue Warrant, and the Series 2012-B TIF Revenue Warrant shall not be a general obligation of the City. None of the agreements, representations or warranties made or implied in this ordinance, or in the issuance of the Series 2012-B TIF Revenue Warrant shall ever impose any personal or pecuniary liability or charge upon the City, whether before or after any breach by the City of any such agreement, representation or warranty, except with the TIF Revenues on deposit in the TIF Fund. The City shall not in any manner be liable for payment of the principal of or the premium, if any, or interest on the Series 2012-B TIF Revenue Warrant or for the performance of any of the obligations of the City herein contained or contained in the Series 2012-B TIF Revenue Warrant other than out of TIF Revenues on deposit in the TIF Fund, subject to all prior liens thereon and pledges thereof as aforesaid.

**Section 6. Form of Series 2012-B TIF Revenue Warrant.** The Series 2012-B TIF Revenue Warrant shall be in substantially the following form, with such changes therein as shall be necessary to comply with the provisions of this ordinance:

(Form of Series 2012-B TIF Revenue Warrant)

**THIS WARRANT MAY BE TRANSFERRED ONLY UPON THE PRIOR WRITTEN CONSENT OF THE CITY OF HUNTSVILLE, ALABAMA, AND ONLY TO AN "ACCREDITED INVESTOR" AS DEFINED IN THE SECURITIES AND EXCHANGE ACT OF 1933 AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER, AND ONLY UPON COMPLIANCE WITH APPLICABLE STATE AND FEDERAL SECURITIES LAWS AND WITH THE ORDINANCE OF THE CITY REFERRED TO HEREIN.**

**UNITED STATES OF AMERICA  
STATE OF ALABAMA**

**CITY OF HUNTSVILLE**

**TAXABLE LIMITED OBLIGATION TIF REVENUE WARRANT  
TIF5 - SERIES 2012-B**

The City Treasurer of the **CITY OF HUNTSVILLE, ALABAMA** (herein called the "City"), a municipal corporation under the laws of the State of Alabama, is hereby ordered to pay to **L W REDSTONE COMPANY, LLC** (the "Owner"), on the Maturity Date hereinafter referred to, the principal sum of

**THREE MILLION AND NO/100 DOLLARS (\$3,000,000.00),**

or such lesser amount as may be advanced from time to time to the City by the Owner (each such amount so advanced, an "Advance") pursuant to that certain Annexation and Development Agreement dated March 25, 2010, between the City and the Owner (the "Development Agreement"). Capitalized terms used in this limited obligation warrant and not otherwise defined shall have the meaning given to them in the Development Agreement.

Contemporaneously with the initial issuance and delivery hereof the Owner shall have made an Advance in the amount of \$6,500 (the "2012-B First Advance"). The amount and date of the 2012-B First Advance, and of each other Advance referable hereto hereafter made shall, upon receipt by the City, be set forth on the Advance Chart attached hereto.

Interest on the outstanding balance of this limited obligation warrant including, without limitation, interest on each Advance (including, without limitation, the 2012-B First Advance) from the date such Advance is made, shall accrue at a rate of 9.95% per annum, shall be payable on March 1 of each year, commencing March 1, 2013 (each such date, an "Interest Payment Date"), until the Maturity Date hereinafter referred to unless and to the extent said outstanding balance shall be paid earlier, and shall be computed on the basis of a 360-day year of twelve (12) consecutive thirty (30) day months.

To the extent TIF Revenues are insufficient to pay maturing installments of



interest when due on any Interest Payment Date, then the amount of such deficiency shall be added to the then outstanding balance hereof. In the event an Interest Payment Date is not a Business Day (as such term is defined in the Development Agreement), the interest due on such date shall be payable on the then next succeeding Business Day.

This limited obligation warrant is designated "Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2012-B", is authorized to be issued in the aggregate principal amount of up to \$3,000,000, and is one of a duly authorized issue of obligations of the City designated "Owner Warrants" in the Development Agreement. The indebtedness evidenced and ordered paid hereby, and the obligations of the City to pay the principal hereof and the interest hereon, are and shall constitute limited obligations of the City, payable solely out of TIF Revenues on deposit in the TIF Fund, on a parity with (i) the City's \$10,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2010-A, dated July 26, 2010, (ii) the City's \$20,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2010-B, dated November 5, 2010, (iii) the City's 3,000,000 Taxable Limited Obligation TIF Revenue Warrant, TIF5 - Series 2012-A, dated February 6, 2012, and (iv) all other Owner Warrants hereafter issued (collectively, the "Parity TIF Warrants"), subject and subordinate to: (1) any pledge of TIF Revenues hereafter made by the City for the benefit of any Permanent Financing Obligations hereafter issued by the City as TIF revenue obligations of the City, and (2) the right of the City to use and apply TIF Revenues to reimburse the City for the payment of debt service on any Permanent Financing Obligations hereafter issued by the City as general obligations of the City.

Payments of Debt Service on this limited obligation warrant shall be paid in any coin or currency which, at the time of payment, is legal tender for the payment of public and private debts. Such amount shall be paid to the Owner hereof by check or, at the election of the Owner, by wire transfer sent to the Owner at such address as the Owner may designate from time to time by a notice in writing delivered by an officer of Owner to the Finance Director of the City. Payments of debt service on this limited obligation warrant shall be applied first to the payment of any due but unpaid interest and, second, to principal outstanding on any Advance made in connection herewith.

The Owner shall have the right to tender this limited obligation warrant in whole or in part (though if in part in increments of not less than \$5,000,000, unless the outstanding balance of principal and accrued but unpaid interest hereunder is less than \$5,000,000) for payment by the City at such time, in the manner, and for payment on or before the applicable Tender Payment Date as set forth in Section 7.2.3 of the Development Agreement; provided, however, the amount actually tendered for payment shall not be in excess of the applicable Tender Payment Amount.

This limited obligation warrant shall mature, unless and to the extent portions hereof are earlier tendered by the Owner for payment or redeemed by the City as herein provided, on the earlier of the date that is thirty (30) years from the date hereof or the date on which the TIF referred to in the Development Agreement shall expire (the "Maturity Date"). Upon the Maturity Date, all outstanding but unpaid principal and interest under this limited obligation warrant shall be deemed paid in full and no longer outstanding, and the City shall have no obligation whatsoever for the payment thereof (whether from TIF Revenues or

otherwise) on or following the Maturity Date.

The City reserves and shall have the privilege of prepaying the principal balance of this limited obligation warrant at any time and from time to time, in whole or in part, without penalty or premium upon five (5) Business Days' prior written notice to the Owner. Contemporaneously with the payment in full hereof, whether pursuant to tender, redemption or at maturity, this limited obligation warrant shall be surrendered to the City.

This limited obligation warrant has been issued pursuant to the applicable provisions of the constitution and laws of the State of Alabama, including particularly Section 11-99-8 of the Code of Alabama 1975, as amended, and an ordinance adopted on January 26, 2012, by the governing body of the City (the "2012-B Ordinance") to provide funds for purposes for which the City is authorized to borrow money under said section.

This limited obligation warrant constitutes a limited obligation of the City payable solely out of TIF Revenues on a parity with the Parity TIF Warrants, subject to any pledge of TIF Revenues heretofore or hereafter made by the City for the benefit of any Permanent Financing Obligations heretofore or hereafter issued by the City as TIF revenue obligations of the City and the right of the City to use and apply TIF Revenues to reimburse the City for the payment of debt service on any Permanent Financing heretofore or hereafter issued by the City as general obligations of the City, and neither the full faith or credit of the City have been pledged for the payment hereof.

It is hereby certified that the indebtedness evidenced hereby has been duly and legally incurred; that all conditions, actions and things required by the constitution and laws of the State of Alabama to exist, be performed and happen precedent to and on the issuance of this limited obligation warrant, exist, have been performed and have happened; and that the indebtedness evidenced by this limited obligation warrant, together with all other indebtedness of the City, was at the time the same was incurred and is now within every debt and other limit prescribed by the constitution and laws of the State of Alabama.

Any notice required hereunder shall be delivered as set forth in Article XIII of the Development Agreement.

**IN WITNESS WHEREOF**, the City has caused this limited obligation warrant to be executed and its official seal to be hereunto affixed by the Mayor and has caused the same to be attested by its City Clerk, both of whom have hereunto subscribed their signatures and are hereunto duly authorized, and has caused this limited obligation warrant to be dated June 4, 2012.

**CITY OF HUNTSVILLE, ALABAMA**

By: \_\_\_\_\_  
Mayor

[ S E A L ]

Attest:

\_\_\_\_\_  
City Clerk

(Form of Certificate of Registration by City Treasurer)

I hereby certify that this limited obligation warrant was at the time of issuance thereof duly registered by me as a limited obligation claim against the **CITY OF HUNTSVILLE, ALABAMA**.

\_\_\_\_\_  
City Treasurer of the  
**CITY OF HUNTSVILLE, ALABAMA**

### Advance Chart

Advance #	Date Of Advance	Principal Amount of Advance	Total Principal Amount of Warrant Following Advance
1	June 4, 2012	\$6,500.00	\$6,500.00

**Section 7. Sale and Delivery of Series 2012-B TIF Revenue Warrant.** The Series 2012-B TIF Revenue Warrant is hereby sold to the Company at and for a purchase price equal to the face amount of all Advances made thereunder. The City Clerk is hereby authorized and directed to deliver the Series 2012-B TIF Revenue Warrant, which shall have been executed, sealed, attested and registered as herein provided, to the Company upon the agreement of the Company to make the Advances, as provided in Section 7.2.1(f) of the Development Agreement.

**Section 8. Use of Proceeds.** All amounts made available from Advances made pursuant to the Development Agreement and referable to the Series 2012-B TIF Revenue Warrant shall be used to pay the costs of the 2012-B Public Infrastructure Improvements and to pay the costs of issuing the Series 2012-B TIF Revenue Warrant.

**Section 9. Authorization of TIF5 – 2012-B Supplemental Development Agreement.** The Council does hereby authorize and direct the Mayor and the City Clerk of the City, or either of them, to execute and deliver, for and in the name and on behalf of the City the TIF5 - 2012-B Supplemental Development Agreement, and do hereby authorize and direct the City Clerk of the City to affix the corporate seal of the City to the TIF5 - 2012-B Supplemental Development Agreement and to attest the same. The TIF5 - 2012-B Supplemental Development Agreement shall be in substantially the form presented to the meeting at which this resolution is adopted and attached hereto as Exhibit A, with such additions, omissions and changes as may be approved by the Mayor or the Director of Finance, the execution of the TIF5 - 2012-B Supplemental Development Agreement by the Mayor or the Director of Finance of the City being conclusive evidence of such approval.

**Section 10. Additional Documents Authorized.** The Mayor, the City Clerk and the Director of Finance of the City, or any of them, are each hereby authorized and directed to execute such other documents or certificates necessary in order to carry out the transactions contemplated by this Ordinance.

**Section 11. Creation of Contract.** The provisions of this Ordinance shall constitute a contract between the City and the holder of the Series 2012-B TIF Revenue Warrant.

**Section 12. Provisions of Ordinance Severable.** The provisions of this Ordinance are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this Ordinance.

ADOPTED this the 24<sup>th</sup> day of May, 2012.

/s/ Mark Russell  
City Council President  
City of Huntsville, Alabama

APPROVED this the 24<sup>th</sup> day of May, 2012.

/s/ Tommy Battle  
Mayor  
City of Huntsville, Alabama

Councilmember \_\_\_\_\_ moved that unanimous consent be given for immediate consideration of and action on said ordinance, which motion was seconded by Councilmember \_\_\_\_\_ and, upon the said motion being put to vote, the following vote was recorded:

**YEAS:**

**NAYS:**

The Chairman thereupon declared that the motion for unanimous consent for immediate consideration of and action on said ordinance was unanimously carried. Councilmember \_\_\_\_\_ thereupon moved that the ordinance be finally adopted, which motion was seconded by Councilmember \_\_\_\_\_ and, upon the said motion being put to vote, the following vote was recorded:

**YEAS:**

**NAYS:**

The Chairman thereupon announced that the motion for adoption of said ordinance had been unanimously carried.

\* \* \*

There being no further business to come before the meeting, the same was on motion duly made, seconded, and unanimously carried, adjourned.

/s/ Mark Russell  
City Council President  
City of Huntsville, Alabama

ATTEST:

/s/ Charles H. Hagood  
City Clerk  
City of Huntsville, Alabama

**EXHIBIT A**

**FORM OF TIF5 - 2012-B SUPPLEMENTAL DEVELOPMENT AGREEMENT**



**SUPPLEMENTAL DEVELOPMENT AGREEMENT  
TIF5 – SERIES 2012-B TO ANNEXATION AND  
DEVELOPMENT AGREEMENT BETWEEN  
THE CITY OF HUNTSVILLE AND  
LW REDSTONE COMPANY, LLC, IN  
THE AMOUNT OF \$3,000,000**

Pursuant to Section 7.3 of the Annexation and Development Agreement dated March 25, 2010, ("Agreement"), between THE CITY OF HUNTSVILLE, ALABAMA, a municipal corporation organized and existing pursuant to the laws of the State of Alabama ("City") and L W REDSTONE COMPANY, LLC, a Delaware limited liability company ("Owner"), City and Owner enter into this Supplemental Development Agreement, and hereby provide more specifically of the obligations of City and Owner.

**A. IMPORTANT DATES (ESTIMATES ONLY)**

Commencement of City work related to Agreement Section 6.2	May, <u>2012</u>
Owner Warrant Issue	<u>TIF Revenue Warrant, TIF5</u> <u>Series 2012</u>
Commencement of Owner development work	<u>N/A</u>
First ad valorem assessment of Owner's development work Pursuant to this Supplemental Development Agreement	<u>N/A</u>
First TIF Revenues received by City	<u>N/A</u>

**B. OWNER IMPROVEMENTS**

**Scope of Work for Supplemental Developmental Agreement TIF5 – Series 2012-B**

This fourth Supplemental Development Agreement (SDA) continues funding for the Phase I project costs. A scope of work, estimated costs, and estimated completion dates are summarized below:

**INCIDENTAL LEGAL AND FINANCIAL EXPENSES** – Legal expenses for issuance of the Owner's warrant for this phase of work. Estimated cost \$6,500.00.

**CONSTRUCTION CONTRACTS** - Construction features to be funded consist of design packages as listed below.

- 1. REDSTONE GATEWAY EXTENSION, MARKET STREET, AND  
OVERLOOK ROAD RELOCATION PACKAGE 1F-4 Landscape, Irrigation  
and Hardscape, Project No. 65-11-SP22 Construction Contract** to be awarded to Vision Landscapes, Inc. for the installation of landscaping, irrigation, and hardscape

for the Redstone Gateway Extension, Market Street, and Overlook Road Relocation Package for a total contract amount of \$602,799.08.

2. **Knight Sign Industries, Inc. for Redstone Gateway Package H-Monumental Architectural Signage, Project # 65-12-SP22.** This agreement is for the installation of monumental architectural signage for the Redstone Gateway Project, for the following amounts: Award Base Bid: \$136,905.00, including Option #3: \$663.00 for a total contract amount of \$137,568.00
3. **LBYD, Inc. Civil & Structural Engineers for Engineer Design Services for Redstone Gateway Package 1I-Lake F Expansion, Project No. 6-12-SP23.** This is a Lump Sum Engineering Services Contract for the design of Lake F and all related drainage infrastructure and the demolition of the existing Redstone Arsenal substation and associated pole line and overhead wires, in the amount of \$83,650.00

**ENGINEERING AND CONSTRUCTION COSTS TO BE DETERMINED** – The amount of \$2,169,482.92 is allocated and budgeted in this SDA for engineering and construction costs which are contemplated and anticipated by the above referenced Annexation and Development Agreement but are not yet specifically defined at the time of issuance of this SDA. The prior written approval of the Owner (or the Owner's representative, COPT) and the CITY shall be required for the award of any contract funded or other expenditure of any portion of the \$2,169,482.92 in funds allocated and budgeted herein. The scope of work for these costs may be further defined by future modification to this SDA.

#### **C. ESTIMATE TIF REVENUES**

First year Ad Valorem taxes	\$ <u>N/A</u>
First year PILOT per Agreement Section 7.7	\$ <u>N/A</u>
TOTAL	\$ <u>N/A</u>

#### **D. CITY COST & OWNER WARRANT AMOUNT**

Maximum amount of City costs and Owner Warrant issue amount:

Regarding such costs pursuant to this Supplemental Development Agreement	<u>\$3,000,000</u>
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#### **ADVANCE UNDER THE ANNEXATION AND DEVELOPMENT AGREEMENT-**

The agreement between LW Redstone and the City of Huntsville provides for an initial advance for the Owner Warrants issued subsequent to the first Owner Warrant 5% of the costs on the Public Infrastructure Improvements referable to such warrant. The Initial Advance referable to this Owner Warrant is \$ -0-.

**IN WITNESS WHEREOF**, the Parties hereto have duly executed this Agreement.

(“OWNER”)

L W REDSTONE COMPANY, LLC

Dated: \_\_\_\_\_, 2012

By: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF MARYLAND    )  
COUNTY OF HOWARD    )

I, the undersigned, a Notary Public in and for said County and in said State, hereby certify that \_\_\_\_\_, as \_\_\_\_\_, of LW Redstone Company, LLC, a Delaware corporation, is signed to the foregoing document, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, (s)he, as such officer and with full authority, executed the same for and as the act of said corporation on the date the same bears date.

GIVEN under my hand and official seal this the \_\_\_\_\_ day of \_\_\_\_\_, 2012.

(SEAL)

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

("CITY")

THE CITY OF HUNTSVILLE,  
ALABAMA,  
A municipal corporation

Dated: \_\_\_\_\_, 2012

By: \_\_\_\_\_  
Tommy Battle  
Its: Mayor

ATTEST:

\_\_\_\_\_  
Charles E. Hagood  
Clerk-Treasurer

STATE OF ALABAMA     )  
COUNTY OF MADISON    )

I, the undersigned, a Notary Public in and for said County and in said State, hereby certify that Tommy Battle and Charles E. Hagood, as Mayor and City Clerk-Treasurer, respectively, of the City of Huntsville, Alabama, a municipal corporation, are signed to the foregoing document, and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they, as such officers and with full authority, executed the same for and as the act of said corporation on the date the same bears date.

GIVEN under my hand and official seal this the \_\_\_\_\_ day of \_\_\_\_\_, 2012.

(SEAL)

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_